



Supply Chest

March 2005

Ready - Resourceful - Responsive!

Special Edition

NSPS - What is it all about? How will it effect me?

Department of Defense (DoD) efforts to develop a new system for managing the Department's civilian resources, known as the National Security Personnel System (NSPS), have been underway for over a year. The new system will provide DoD with a more modern, agile and flexible system, needed to meet the challenges of the 21st-century. The design of NSPS has been a collaborative effort and has considered employee, management and union input obtained from focus groups, town hall meetings, the NSPS website, and sessions with representatives from employees' unions.

The proposed NSPS enabling regulations were published in the Federal Register on February 14, 2005. The Federal Register is accessible via the NSPS Website at WWW.CPMS.OSD.Mil/NSPS. A hard copy of the NSPS Federal Register is also available for public viewing at the Government Printing Office in Washington, D.C.

The Federal Register provided for a 30-day period to give interested parties the opportunity to submit formal comments on the regulations. That 30-day grace period ended March 16, 2005. NAVSUP's NSPS Project Manager, Crystal Kerns at crystal.kerns@navy.mil or 717-605-7051.

NAVSUP leadership is committed to working with you through this process. I hope you take advantage of the opportunity to influence the design of the NSPS. It is through your insights



and feedback that we will make this the best possible system. You deserve nothing less!

Questions & Answers about NSPS

1. What is the National Security Personnel System (NSPS)?

Section 9902 of Title 5, United States Code, enacted by the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136, November 24, 2003) gives the Department of Defense (DoD) the authority to establish a more flexible civilian personnel management system. NSPS will allow the Department to be a more competitive and progressive employer at a time when the country's national security demands a highly responsive system of civilian personnel management. NSPS, once the design is finalized, will likely include changes in the way civilian jobs are graded and classified (a shift to Pay Bands), in the way the employee and manager performance objectives are set, managed and rewarded (Pay for Performance), in the way the Department works with its unions (Labor Relations), in the way the Department hires, promotes and adjusts its work-

force size (Staffing Flexibility) and in the way the Department addresses personnel issues, discipline and appeals. The specifics of each of the above are not yet determined. They will result from a DoD-wide effort currently underway.

2. What does the implementation of NSPS mean to me?

NSPS will establish new rules for how civilians are hired, assigned, compensated, promoted, and disciplined. NSPS will also have elements that address the Department's labor relations. This will all be within the framework of merit principles, veterans' preference, and employees' rights to organize and bargain collectively. NSPS will strengthen DoD civilian employees' ability to accomplish the mission in an ever-changing defense environment.



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MEMORANDUM FOR ALL NSPS SPIRAL ONE EMPLOYEES

Your activity has been selected to participate in the initial implementation of the National Security Personnel System (NSPS). NSPS provides a unique opportunity to increase the effectiveness of our Department through a simplified personnel management system that will improve the way we hire and assign, as well as compensate and reward our employees. It will provide the Department with a modern, flexible and agile human resource system that can be more responsive to the national security environment, while enhancing employee involvement, protections and benefits.

DoD is working with the Office of Personnel Management (OPM) on finalizing the NSPS enabling regulations, which will be published in the Federal Register for public comment and collaboration with employee representatives. Once this process is completed, we will begin implementing NSPS. The Labor Relations portion will be implemented across the entire Department as early as July 2005. The Human Resources and Appeals portions should also launch in July, but in phases, starting with "Spiral One." We will use "spiral development" to incrementally phase in the rest of the DoD civilian workforce over the subsequent two to three years, upgrading and improving NSPS as we go forward.

One of the most important steps in smoothly transitioning to NSPS will be your understanding of the new system. You will have many opportunities to learn about the "who, what, where, when and how" of operating under NSPS. Your activity will be hosting a variety of communications forums and learning events, and all employees will receive extensive training on the specifics of NSPS prior to conversion. An employee handbook and NSPS tutorial is under development and will be posted in February on the NSPS website – <http://www.cpms.osd.mil/nsps>. The NSPS website provides a continuing source of up-to-date information. Please take advantage of every opportunity to learn about NSPS.

I truly hope you are as excited as I am about the chance to participate in the most comprehensive new Federal personnel system in more than 50 years. We will gain experience with the procedures we put in place, and I am counting on you to provide feedback in identifying improvements as we implement the system across the entire workforce. NSPS provides an historic opportunity. Together, we can make a difference. To you and your families, have a joyful Holiday Season. Be safe and we'll see you in the New Year.

Mary E. Lacey
Program Executive Officer
National Security Personnel System

Supply Chest

Fleet and Industrial Supply Center

1968 Gilbert Street, Suite 600

Norfolk, Virginia 23511-3392

Capt. Tim Ross, SC, USN,

Commanding Officer, FISC Norfolk

Robert Anderson, Public Affairs

Officer/Managing Editor

3. What are the key elements that will be changed under NSPS?

- Staffing: hiring, assignment, advancement, removal, RIF
- Job classification/pay banding
- Pay for performance
- Labor management relations
- Discipline, adverse action and appeals

4. What will not change under NSPS?

- Merit System principles
- Veterans Preference principles
- Laws against prohibited personnel practices
- Anti-discrimination laws
- Leave and attendance
- Travel and subsistence
- Pay under the Executive Schedule
- Computing pay for firefighters
- Rules on employee training
- Health insurance and retirement benefits
- Safety and drug abuse program

5. What protections does NSPS provide employees?

NSPS will be designed and operated within the framework of merit principles, veterans' preference, and employees' rights to organize and bargain collectively. NSPS provides three levels of employee protection.

First, NSPS must adhere to the merit system principles that have been the basis of the civil service for decades. These principles will continue to support:

- A diverse workforce;
- Fair and open competition;
- Equal pay for equal work;
- High standards of integrity and conduct;
- Protection for employees against arbitrary action, favoritism, or political coercion; and
- Protection for employees against reprisals for whistle blowing.

Second, rules remain unchanged regarding prohibited personnel practices, including:

- Violation of veterans' preference requirements;
- Taking or threatening to take an action because someone is a whistle blower;
- Obstructing or influencing an individual's ability to compete for employment;

- Nepotism;
- Coercing political activity; and
- Taking any personnel action on the basis of race, color, religion, sexual orientation, labor organization affiliation or non-affiliation, national origin, age, handicap condition, marital status, or political affiliation.

Third, NSPS requires that, before implementing the new personnel system, DoD will:

- Partner with OPM;
- Collaborate with employee representatives; and
- Notify Congress regarding areas of disagreement.

6. Does NSPS change the rules for the EEO complaints process?

No, the EEO complaints process falls outside of the scope of the NSPS law.

7. What is the Program Executive Office (PEO)?

The PEO, established in April 2004, is the comprehensive DoD program management office responsible to design, develop, implement and administer the new human resources management system. Mrs. Mary Lacey was selected in May 2004 to serve as the Program Executive Officer.

8. How will NSPS be designed?

The Program Executive Office (PEO) will be working hand-in-hand with our partners at the Office of Personnel Management on this project. There will be numerous opportunities for employees, managers and union input and dialog. Focus Groups across all components of DoD were conducted in July 04 for the PEO to obtain input from a broad cross-section of the workforce. PEO Work Groups will use input from the Focus Groups, the experience and structure of current personnel demonstration programs, and the principles of modern human resources management systems to develop alternatives for NSPS. Both the DoD leadership and union leadership will see and discuss NSPS design alternatives in planned meetings during the summer of 2004. The input from these meetings and discussions will contribute to drafting of the proposed NSPS regulations in late 2004.

9. Who participated in the Working Groups?

The Working Groups consisted of approximately 80 experts representing the functional areas of human resources management (LR/ER, classification, pay and compensation, staffing, and EEO), the legal community, the financial management and manpower communities, and civilian and military line managers. Working Group members came from every DoD component and from all regions of the country.

10. What was the purpose of the Working Groups?

The Working Groups developed, identified, and explored options and alternatives for the design of NSPS. The groups received input from multiple sources, including focus groups, town hall meetings, discussions with union leaders, and comments and suggestions from employees and other stakeholders. The Working Groups also looked at research and materials from other personnel demonstration projects and alternative personnel systems.

11. What will be done with the Working Group products?

During a series of meetings, the Overarching Integrated Product Team (OIPT) will be presented with the options developed by the various Working Groups for the design of NSPS. OIPT members, including OPM representatives, will decide which options, in whole or in part, will form the foundation of the new personnel system. In addition, they may reject certain options or decide on different or additional options for incorporation into the design. Finally, the formal design product will be presented to SECDEF and OPM for approval and publishing of joint enabling regulations.

12. Will NSPS be tested before full implementation?

We have a great deal of experience with successful demonstration projects in DoD and, based on that experience, we will have a high degree of confidence in the system when the implementation begins. Modifications may be needed as we continue with the phased implementation, and those changes will be incorporated. Under NSPS we will be able to make needed changes more quickly.

13. Are you still planning on implementing the system in July 2005?

Yes, that's our plan. But as we've said before, this is an event-driven program, and the publication of these regulations is a major event and a key milestone. As it currently stands, we are in a position to meet our July 2005 implementation target, but we'll take the time needed to do it right.

14. For managers and supervisors, what is the most compelling change?

The NSPS performance management system is designed to recognize. To recognize and reward the performance and contributions of the DoD civilian workforce, and supervisors are integral to the overall success of NSPS. A pay-for-performance system mandates frequent and honest communication and performance feedback among managers, supervisors, and employees. NSPS will not be successful if managers and supervisors cannot effectively communicate expectations. Managers and supervisors are key to successful NSPS implementation.

15. What is the timetable for NSPS implementation?

NSPS will be implemented in phases beginning (tentatively) in July 2005. Full implementation will occur over several years

as aggressive, event-driven milestones are achieved. The notional timeline demonstrates the projected "spiral" approach to implementation.

16. Will all employees be affected by NSPS initially?

Once DoD and OPM complete the formal collaboration process with the unions, and we finalize the regulations, the labor relations provisions will be implemented across the Department (to those employees currently covered by title 5 labor relations). The other portion of the system (pay banding, performance-based pay, staffing, etc.) will be phased in, starting with our General Schedule workforce. For example, our wage grade population won't initially be affected by the new pay provisions, but will be subject to the new labor relations rules.

17. Will NSPS affect my retirement and health insurance benefits, or leave entitlements?

No. NSPS will not change the rules regarding retirement, health insurance, annual leave or sick leave.

18. Will NSPS affect my "high 3"?

No. Rules affecting retirement benefits or eligibility fall outside the scope of the NSPS law.

19. How similar are the proposed NSPS regulations to the recently published DHS regulations?

Our design process was informed by the DHS experience, and where it made sense, we adopted their approach in certain areas. For example, in the arena of labor relations and employee appeals, it made sense to have similar procedures, so you will see a lot of similarity in those areas. We are different in some areas because our two organizations have differences in scope, mission, operational requirements, and statutory authorities. For example, the NSPS statute allows DoD to change the rules in the areas of hiring and reduction in force – DHS does not have that flexibility.

20. Will NSPS eliminate within-grade step increases and the annual General Schedule pay increase?

Under NSPS, pay increases will be based primarily on performance and/or contribution, and unacceptable performers will not be eligible for pay increases. In a pay banding system, there are no "steps" similar to the GS system. Pay increases and/or performance bonuses are based on the employee's performance rating. The proposed NSPS rules include a rigorous "pay pool" process to distribute performance-based pay increases in the organizations; the pay pool process will be a credible, open process that ensures that outstanding performers are rewarded accordingly.

The proposed pay rules also provide for periodic "rate range" adjustments, to adjust the minimum and/or maximum rate of a pay band. When a minimum rate of a pay band is adjusted upward, employees will receive an equivalent increase.

However, unacceptable performers will not be eligible for such increases.

21. Will there still be locality pay under the NSPS pay system?

The proposed NSPS pay system includes a locality-based component of pay called a "local market supplement" in addition to an employee's basic pay. The local market supplement will be based on market conditions related to geographical and occupational factors, and may differ from one occupation to another in a given locality area. Upward adjustments to local market supplements will not be given to unacceptable performers.

22. How will supervisors be accountable for exercising their responsibilities under NSPS?

The flexibility proposed in the NSPS regulations bring with them an increased need for accountability. This includes employee accountability for performance, as well as supervisory and managerial accountability for the proper exercise of the authorities in NSPS. Extensive training will be given to supervisors and managers, with a focus on improving skills needed for effective performance management, such as setting clear expectations, communicating with employees, and linking individual expectations to the goals and objectives of the organization. Supervisors and managers will be held accountable for how effectively they use the tools provided by NSPS. They will also be subject to the pay and performance provisions of the system, and their pay will be affected by how well they perform their duties as supervisors and managers.

23. Will NSPS do away with bargaining units and employee unions?

No. The proposed NSPS regulations do not affect the right of employees to participate in labor organizations and bargain collectively. The implementation of the NSPS labor relations system will not eliminate unions or bargaining units. The proposed rules enable to the Department to act expeditiously in carrying out its mission by limiting the situations that are subject to bargaining, and speeding up the bargaining process. However, the NSPS labor relations system recognizes the important role that unions play in the workplace, and preserves that role under NSPS.

24. Are laboratory demonstration projects included in NSPS?

No. By law, the following laboratories are excluded until October 1, 2008:

- The Aviation and Missile Research Development and Engineering Center
- The Army Research Laboratory
- The Medical Research and Materiel Command
- The Engineer Research and Development Command
- The Communications-Electronics Command
- The Soldier and Biological Chemical Command

- The Naval Sea Systems Command Centers
- The Naval Research Laboratory
- The Office of Naval Research
- The Air Force Research Laboratory

25. How does NSPS compare to the new personnel system the Department of Homeland Security (DHS) is creating?

The authorities establishing both NSPS and the new personnel system for DHS allow for a more flexible and responsive personnel system to meet the needs of national security for each agency. At this time, both systems are under development, so specific comparisons cannot be made.

26. When will I get information about the new system?

NSPS is still in the early stages of development, so right now the best source of information about NSPS can be found on the NSPS Web Site. As more information becomes available, local activities will be providing specific information on NSPS proposals.

27. Is there any way that civilians could be considered military personnel under NSPS?

No, employees under NSPS will continue to be civil service employees. The Department of Defense has no authority today nor will they under NSPS to treat civilian employees as military assets. Our DoD military and civilian employees are each governed by a separate set of rules, regulations and statutes, and these distinctions will be maintained under NSPS.

28. Under NSPS, can civilian employees be defined as "deployable assets" and ordered anywhere in the world, including war zones, to support the mission?

Currently DoD has the authority to reassign employees and this authority is unaffected by NSPS. One of the Goals of NSPS is to reduce its reliance on the military to perform jobs that could be performed by civilians in order to free up the military to perform its war fighting duties.

29. What is Spiral One?

Spiral One is the term used to designate the first group of organizations that will implement the human resources and appeals elements of NSPS, tentatively scheduled to begin no earlier than July 2005. The labor relations portion of NSPS will also be implemented throughout the Department at this same time.

30. How were these organizations selected to be part of the first phases of NSPS implementation?

Mary Lacey, NSPS Program Executive Officer, issued the call for Spiral One nominations to the DoD Component Program Managers in July 2004. The Army, Navy, Marine Corps, Air Force, and other DoD components solicited interested organizations under their control to submit volunteer nominations to participate in Spiral One implementation. Others were identified as good candidates by senior leadership. Following receipt of the Component nominations to the Program Executive Office (PEO-NSPS), the PEO convened a review committee to make recommendations on which activities should be included. Since mid-September, the NSPS Program Executive Office has been reviewing these nominations and finalizing Spiral One participation.

31. What were the criteria for selection for Spiral One?

We looked at organizations that possessed the following qualities:

- Workforce adaptability, i.e. is there demonstrated adaptability and readiness for change?
- The organization's strategic framework, i.e. are there human resources management goals, objectives, metrics in place and aligned with organization's strategic plan?

32. How many employees will be in Spiral One?

Spiral One will impact up to 300,000 General Schedule/General Manager, U.S.-based employees from Army, Navy, Marine Corps, Air Force and other DoD components. The remainder of the eligible workforce will be included in Spiral Two. Spiral Three will include personnel from DoD laboratories if current legislative restrictions are eliminated. Furthermore, the labor relations portion of NSPS will be implemented Department wide no earlier than July 2005.

33. How will my pay be affected upon conversion to NSPS?

The law requires that civilian employees suffer no loss of pay as a result of being converted into NSPS. Once covered by NSPS, employees' pay will be determined by the pay bands and performance management aspects of the final NSPS design.

34. I have heard that NSPS does not provide for Veterans' Preference. Is that true?

No. Contrary to what you may have read, NSPS will not eliminate Veterans' Preference.

35. What staffing flexibility is contained in NSPS?

Under current law and regulation, the way in which DoD recruits, hires, promotes, sets pay, and retains employees is governed by a massive and complex set of federal civil service laws,

rules, regulations, and policies. NSPS gives us the opportunity to define a new human resource system featuring streamlined hiring, simplified job changes, a less complex classification system, and workforce shaping procedures. The new system will make it easier and faster for prospective applicants to apply for DoD vacancies. On-board employees will see simplified competitive procedures and streamlined application and referral processes. A number of these features have already been demonstrated successfully in our Laboratory Demonstration and Acquisition Demonstration projects. This is good news for both managers and employees.

36. How will the performance management system be designed under NSPS?

The NSPS performance management system will be designed to recognize and reward the performance and contributions of the DoD civilian workforce fairly and provide opportunities for communication and performance feedback among managers, supervisors, and employees throughout the appraisal cycle. Within the Department today there is a broad array of performance management systems - from Pass-Fail systems through contribution-based-pay-for performance systems within the demonstration projects. The PEO, with input from Focus Groups, will review these systems as they develop the proposed design for the NSPS performance management system. This process will be in partnership with the Office of Personnel Management and include dialogue with our union representatives.

37. Will NSPS end collective bargaining?

No. The law allows the Department to design a new labor relations system to address the unique and essential role that DoD civilians play in supporting the Department's national security mission. It also allows the Secretary of Defense to elect to engage in collective bargaining at the national level, regional, or Component level. The law also ensures that the authority to establish the new labor relations system "...is exercised in collaboration with, and in a manner that ensures the participation of, employee representatives in the planning, development, and implementation of the National Security Personnel System.

38. Does NSPS change the rules regarding the Equal Employment Opportunity (EEO) Complaint Process?

No. NSPS does not change the basic laws prohibiting discrimination or the Equal Employment Opportunity Commission regulations that implemented those laws. Any employee or applicant who believes that he or she has been discriminated against retains the right to file a complaint of discrimination under current Equal Employment Opportunity Commission procedures contained in Title 29 of the Code of Federal Regulations, Chapter XIV, Section 1614.

39. Will unions be involved in developing the labor relations program?

Yes. As with other aspects of NSPS, the labor relations program is being developed in partnership with the Office of Personnel Management (OPM) and in collaboration with employee representatives. The PEO is sponsoring a series of union leadership meetings to discuss the details of all elements of NSPS, including labor relations. The first meeting with the union leadership was held on June 7, 2004 with the objective of defining the unions' role in the design process and identifying issue priorities. Subsequent meetings with agency and union leaders have been held and the unions have been provided the opportunity to give input on NSPS design options. In addition, local union officials were invited to attend town halls and focus group meetings. The formal collaboration process required by the NSPS law begins with the publication by DoD and OPM of jointly prescribed proposed regulations in the *Federal Register* and permits additional official dialogue and comment before they become final. We do not yet know the content of the labor relations elements that will be in the proposed regulations.

40. Will NSPS effectively eliminate employees' voices in the work place and rights to due process?

No. NSPS will include mechanisms for conflict management and dispute resolution as early as possible and at the lowest level possible. The NSPS appeals process and structure will be designed in conjunction with and in the same timeframes at the other NSPS elements. The process will lead to a set of proposed regulations in late 2004. NSPS will follow the framework an-Change-management effort, led by the components, to precede the implementation of NSPS. Once NSPS is defined in detail, the PEO will be providing the specific operational training needed to successfully implement NSPS within an organization. Employees and managers will be provided with training to prepare for, understand and effectively use the new HR system and processes. "Just-in-time" training will be provided so that those affected will have the most up-to-date information, and it will be fresh in their minds when implementation follows.

41. What should these affected organizations and employees expect next?

DoD and the Office of Personnel Management are nearing completion of the process to develop broad enabling regulations for NSPS. We expect to post the proposed regulations in the *Federal Register* this winter. This will initiate a formal public comment period, as well as a period for a formal "meet and confer" process with employee representatives to discuss the proposed regulations. Upon completion of this comment period, the Department will develop more specific implementing regulations, which we expect to be finalized in the spring. Employees are encouraged to continue visiting the NSPS website for the most recent information and announcements regarding NSPS. Additionally, servicing Human Resources offices will have the most current information as it becomes available.

42. What does this announcement really mean? Why is this announcement being made at this time if the NSPS regulations aren't even in place yet?

Since NSPS was signed into law on November 24, 2003, NSPS officials and the Office of Personnel and Management have been working with stakeholders, to include supervisors, managers, human resources and equal employment opportunity practitioners, general counsel and financial management professionals, and union officials to develop design options for the new civilian personnel management system. To implement the human resources and appeals elements of NSPS, the Department of Defense has adopted a spiral strategy for its workforce. Although the proposed regulations will not be published until later this winter and will not be finalized until the spring, the announcement at this time allows the leadership of those affected organizations to posture themselves and look ahead as much in advance as possible to help prepare Spiral One implementation. This positioning, accomplished at the organization and/or organization level, may include training in what we call "soft skills," such as interpersonal communication, team building, and conflict management, to help people adjust to what will be a cultural change.

43. Is there a timeline for the implementation spirals?

Spiral 1.1, the first phase of Spiral One, will be implemented as early as July 2005, with the remaining two phases of Spiral One to be rolled in over six-month increments. The NSPS law provides that the NSPS human resources management system may not apply to organizations with more than 300K employees until the Secretary of Defense determines and certifies that the Department has a performance management system in place that meets the statutory criteria established for the NSPS performance management system. Spiral One will provide the basis for this certification prior to the deployment of Spiral Two. Full implementation is scheduled to take place during the July 2007-January 2008 timeframe.

44. How will those participating in the implementation phase be affected?

It will start with training. Training is absolutely essential to the success of the program, and we are already working on development of the training. Two types of training will be necessary: Training to implement the system operationally, and training in what we call "soft skills." These "soft skills" include interpersonal communication, team building, and conflict management to help facilitate interaction between employee and supervisor, which will be just as critical to the program's overall success as the nuts and bolts of the system. We will ensure every employee and supervisor get the proper training to make this work. What we hope to see is increased communication between every supervisor and employee as they discuss and jointly develop performance objectives tied to the overall organization's mission. This is essential if this new system is to be successful.

45. During the implementation phase, do you expect to make changes to the system?

As with any system, there may be some modest changes that will be necessary. Our experience with China Lake, our first demonstration project, and the subsequent acquisition and laboratory demonstration projects, has given us a wealth of valuable experience to rely upon in rolling out NSPS, and we expect that any system changes will be modest in scope. For instance, we may identify better ways for training the workforce and may decide to modify training plans.

46. Do you foresee any challenges in implementing the new system?

Yes. NSPS will involve a complete cultural change for our workforce, but we think it will be a positive change. NSPS will help DoD civilians better understand how the work they do day in and day out impacts our overall mission. Within DoD, this is particularly important, as the civilian workforce is critical to mission accomplishment - the military cannot do it alone. NSPS facilitates a Total Force concept, enhances readiness and rewards success.

47. What changes will DoD civilian employees notice with the implementation of NSPS?

The most significant change will be cultural. With NSPS, we'll have a Total Force perspective; one which will facilitate DoD civilians gaining an equal footing with their military and contractor counterparts in furthering DoD mission accomplishment. We have attempted for years to create a Total Force perspective, and NSPS will emphasize this, as employees will see their own performance goals and also protect such critical rights as merit systems principles, veterans' preference, due process, and the need and the opportunity to understand and be contributors to those objectives. It also properly rewards employees based on their achievement of those goals. Yet, just as important is what won't change with NSPS. The Department will preserve employee protections and benefits, including the veterans preference and the merit principles that have long been integral to civil service.

48. Why do you think the NSPS will be a positive addition to the Defense Department?

The current civilian personnel system does not adequately enable our civilian workforce to be an effective part of the Total Force. NSPS will reinforce the role of the civilians, not just amongst themselves, but to our military members as well.

49. How will NSPS make the Defense Department more competitive in its hiring capabilities?

NSPS gives us the opportunity to define a new human resource system featuring streamlined hiring, simplified job changes, a less complex classification system, and workforce-shaping procedures. The new system will make it easier and faster for prospective applicants to apply for DoD vacancies. On-board employees will see simplified competitive procedures and

streamlined application and referral processes. A number of these features have already been demonstrated successfully in our laboratory demonstration and acquisition demonstration projects. This is good news for both managers and employees.

50. How does the NSPS help the Defense Department fight the global war on terrorism?

We are fighting an enemy unlike any we have encountered before. We must make adjustments to deal with this unconventional enemy, and the civilian workforce is just as integral to that effort as the active duty military, reserves and guard. Secretary Rumsfeld has stated that NSPS is a key element of the Department's overall transformation initiative. NSPS will provide the Department with flexibilities so we can reduce our reliance on the military to perform jobs that could be performed by civilians, in order to free up the military to perform its war-fighting duties. Furthermore, it is a performance-based system that will recognize and reward outstanding performers. This will assist the Department in recruitment and retention of top performing employees - this will be critical in our fight against the global war on terrorism.

51. Can you provide any information on labor relations changes?

The Labor Relations system will be implemented across the entire Department as early as July 2005, and guidance regarding this implementation will be provided as it becomes available. As with the other aspects of NSPS, the labor relations program is being developed in partnership with the Office of Personnel Management and in consultation with unions, supervisors, and managers. In June 2004, the NSPS PEO began sponsoring a series of Focus Group and union leadership meetings to discuss the details of all elements of NSPS, including labor relations. For more information, see the NSPS website at: <http://www.cpms.osd.mil/nsps/labor.html>.

52. My organization isn't participating in Spiral One. Is there anything I can do to prepare for NSPS?

Over the coming months the NSPS program offices will be sponsoring a variety of information forums and activities. These sessions are designed to build a comfort level about the new system and assist employees in making a successful transition to NSPS when the time comes to implement. You are encouraged to take advantage of every opportunity to learn about the system, talk to your friends and co-workers and get to know the dynamics of NSPS.

